which she was a party. The jurisdiction of the bankruptcy court is enlarged by the addition to section 23 *b*, of a proviso which permits suits for the recovery of property under sections 60 *b* and 67 *e* to be brought in that court.

A few amendments, but not so many as might be wished, have for their object rather to make clear ambiguities in the original act than to make a change in the law. This is apparently the primary object in the amendment to section 17, which specifies what debts are not affected by a discharge. Another question on which there are conflicting decisions is settled by the provision that where a preference consists in a transfer, the period of four months shall not expire until four months after the date of the recording or registering of the transfer, if by law such recording or registering is required.

It is provided that the bankruptcy of a corporation shall not release its officers, directors or stockholders, as such, from any liability under the laws of a state or territory or of the United States. This is presumably meant to overrule such cases as *Train* v. *Marshall Paper Co.*, 180 Mass. 513. It may well be questioned whether the intention has been effectuated. Congress cannot change the conditions of a director's liability in Massachusetts or any state, and if the state law requires as a condition of charging a director that not only shall judgment be given against the corporation, but that execution shall issue and be returned unsatisfied, these conditions must be fulfilled, and if the corporation is discharged it seems impossible to fulfill them. For precisely such a reason in Massachusetts while the Act of 1867 was in force sureties on attachment bonds were held to be discharged by the discharge of the principal debtor, though the bankruptcy law provided that sureties should not be discharged. A state statute had to be passed to remedy the injustice. See *Hill* v. *Harding*, 130 U. S. 699. The difficulty might easily have been met by denying a bankrupt corporation a discharge. The present act is the first to allow a corporation a discharge, and there is little to be said in favor of the innovation.

A definite provision allowing proof of contingent claims should also have found a place in the amendatory act.

The amendments as a whole improve the law. They strengthen the hand of the creditor, but an honest debtor is not materially affected by them.

S. W.

RIGHTS OF SPECIAL TAX-PAYERS IN LOCAL IMPROVEMENT CONTRACTS. — A question of apparently first impression has recently been raised in the Kentucky courts, involving a determination of the relation of a city to its inhabitants with respect to contracts for local improvements. The city of Louisville let out a paving contract upon which there was a reliable surety. On the contractor's becoming embarrassed the city released both him and his surety, and relet the contract at a great increase in expense. The abutting owners, who had been specially assessed for the cost under the first contract, successfully sued the city for repayment of the extra assessments levied to meet the additional cost under the second contract. *Barfield* v. *Gleason*, 63 S. W. Rep. 964; *Louisville* v. *Kentucky, etc., Bridge Co.*, 70 *ibid.* 627. The obvious result of the cases is to shift the burden caused by the improper action of the council from those specially assessed to the general tax-payers.

That a city does not hold such contracts strictly in trust for the special class to be benefited is shown by the fact that though the abutting owners have a right of action if the city permits defective construction, yet if the work has been completed and payment made the right of action is gone. *Schumm* v. *Seymour*, 24 N. J. Eq. 143; *Liebstein* v. *Mayor*, *ibid.* 200. It seems clear that the Kentucky court too was of this opinion, as it held that the cause of action accrued, not when the surety was released, but when the extra assessment was paid. The city furthermore cannot justly be said to be an agent, because the so-called principals have no control in the matter. Yet undoubtedly a fiduciary relationship of some sort does exist, as is indicated by the fact that a city, by way of mere gift, cannot release a debtor to the detriment of any tax-payer. *Wells* v. *Putnam*, 169 Mass. 226; see 16 HARV. L. REV. 211. The court considered that the city was exercising a "statutory power of attorney"; but it is a little odd to find the power granted by the attorney and not by the principal.

Technically the case may be worked out thus. At the outset the council has full legislative discretion to determine whether an improvement is advisable. But when that discretion has been exercised and the contracts have been made, a duty, ministerial in its nature, arises to have the betterment properly executed. If the cost is fraudulently increased the abutters need pay only the fair value of the work done. *Matter of Livingston*, 121 N. Y. 94. The same is true in the case of gross negligence. *Matter of Anderson*, 109 N. Y. 554. In the principal case to release the solvent surety was not a legislative or discretionary act, because the council made no pretence of determining that the paving should be abandoned altogether. It was in fact a ministerial tort causing damage to the abutters; and the latter should recover under the general rule of liability for torts committed by municipal agents in the execution of ministerial duties. See 2 DILL. MUN. CORP., § 980.

NATURE OF INSURANCE CONTRACTS. — A policy insuring property is generally asserted to be a contract for the personal indemnity of the insured. See 1 MAY, INS., § 6. There is a tendency, however, to depart from this proposition, and an illustration of it may be seen in a recent South Carolina case. Property had been insured by a grantee under a voluntary conveyance which later at the suit of the grantor's creditors was declared fraudulent. After a loss all the parties appeared before the court and the proceeds of the policy, in amount equalling the actual damage to the property, were given to the grantee under the fraudulent conveyance. *Steinmeyer* v. *Steinmeyer*, 42 S. E. Rep. 184. The court professed to base its decision on the general principle, reasoning that the creditors could not reach the proceeds since they resulted from the personal contract for indemnity between the company and the grantee. *Cf. Forrester* v. *Gill*, 11 Col. App. 410; *Bernheim* v. *Beer*, 56 Miss. 149. But in emphasizing the personal nature of the insurance contract the court slighted the other essential characteristic, indemnity. Only by a fiction can the damage to the grantee be regarded as more than nominal, and hence in allowing him substantial damages the decision clearly departs from the rule which it professedly adopts.

The departure in other classes of cases takes a contrary direction, and disregards the personal element for the sake of indemnifying the actual sufferer. Where a grantee of a conveyance constructively fraudulent as against the